

Revisions in

A Treatise on the Ontario Succession Duty Act

By J. B. McLeod

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P R E F A C E

As the result of *The Succession Duty Amendment Act, 1920*, certain corrections are required in the book entitled "A Treatise on the Ontario Succession Duty Act" by J. B. McLeod. This supplement lists them so as, with the book, to bring up-to-date Mr. McLeod's treatise with the appended Text of the Act.



REVISI^N IN "A TREATISE ON THE ONTARIO SUCCESSION DUTY ACT"

Page 14, middle, read:

These exemptions of estates were reduced in 1905 to \$50,000 in the case of the lineal class, and again in 1915 to \$25,000, so that at present any estate in which the whole property, wherever situate, including gifts *inter vivos* of Ontario property, exceeds \$25,000 after deduction of debts and other allowances, and devolves on any of the generally described lineal class, as distinguished from collateral relations and strangers in blood, will pay duty to the province on the property liable under the Act. Likewise the exemption of estates devolving on the collateral class and strangers in blood was reduced in 1915 from \$10,000 to \$5,000, with the like result that any property devolving on near and remote collaterals and strangers in blood would thereafter be liable if the whole estate of the deceased wherever situate, including gifts *inter vivos* of Ontario property, exceeded \$5,000 after deduction of debts and other allowances. By *The Succession Duty Amendment Act, 1920* (10 Geo. V. Chap. 8), an estate devolving on near collaterals was made exempt unless it exceeded \$10,000 after such deductions.

8 *Revisions in "A Treatise on the Ontario Succession Duty Act"*

Page 34, top: for paragraph (b) read:

- (b) Exceeds the amount of \$10,000 when passing to near collateral relations; or
- (c) Exceeds the amount of \$5,000 when passing to remote collaterals and to strangers in blood, duties are payable at the prescribed graduated rates.

Pages 38 to 42, end of first paragraph: *read:*

(6) RATES OF DUTY.

The Succession Duty in Ontario is a graduated tax on property passing to the legatee, heir, or donee, according to the relationship in which he stood to the deceased, and there is also a graduated supertax from one and one-half to fifteen per cent. imposed on the legatee or other beneficiary where any person receives over the amount fixed by the Act.

Where the aggregate value of the property exceeds \$25,000 and the whole or part passes to the grandfather, grandmother, father, mother, husband, wife, child, son-in-law, or daughter-in-law, the amount so passing is subject to duty on the following scale:

If the aggregate value is over	And not more than	The rate of duty is
\$ 25,000	\$ 50,000.....	1%
50,000	75,000.....	2½%
75,000	100,000.....	3½%
100,000	150,000.....	5%
150,000	200,000.....	5½%
200,000	300,000.....	6%
300,000	400,000.....	6½%
400,000	500,000.....	7%
500,000	600,000.....	7½%
600,000	700,000.....	8%
700,000	800,000.....	8½%
800,000	900,000.....	9%
900,000	1,000,000.....	9½%
1,000,000	.....	10%

If the aggregate value of the estate exceeds \$100,000, then there is a further duty on the property passing to any of the persons mentioned in the preceding paragraph, on the following scale:

On the amount passing to one person, over	Up to	The rate of duty is
\$ 50,000	\$ 75,000.....	1½%
75,000	100,000.....	2%
100,000	150,000.....	2½%

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On the amount passing to one person, over	Up to	The rate of duty is
150,000	300,000.....	3%
300,000	400,000.....	3½%
400,000	500,000.....	4½%
500,000	600,000.....	5%
600,000	700,000.....	5½%
700,000	750,000.....	6%
750,000	800,000.....	6½%
800,000	900,000.....	7%
900,000	1,000,000.....	7½%
1,000,000	1,200,000.....	8%
1,200,000	1,400,000.....	8½%
1,400,000	1,600,000.....	9%
1,600,000	1,800,000.....	9½%
1,800,000	2,000,000.....	10%
2,000,000	2,200,000.....	10½%
2,200,000	2,400,000.....	11%
2,400,000	2,600,000.....	12%
2,600,000	2,800,000.....	13%
2,800,000	3,000,000.....	14%
3,000,000	.....	15%

The maximum rate therefore payable by any person in the class of grandfather, grandmother, father, mother, husband, wife, child, son-in-law, daughter-in-law is 25%.

Any person adopted by the deceased before

he attains twelve years of age, and any infant to whom deceased had for a period of five years immediately preceding his death stood in the position of a parent and any lineal descendant of such person or infant are in the same class as a lawful child.

Where the aggregate value of the estate exceeds \$10,000 and the whole or part passes to a lineal ancestor—except a grandfather, grandmother, father, or mother, who are in the preferred class before mentioned—or to a brother or sister or to a descendant of such brother or sister (nephew or niece of deceased) brother or sister of father or mother (uncle or aunt) or to any of their descendants (cousins) the amount is subject to duty on the following scale:

If the aggregate value is over	And not more than	The rate of duty is
\$ 10,000	\$ 25,000.....	5%
25,000	50,000.....	7%
50,000	100,000.....	10%
100,000	200,000.....	12½%
200,000	400,000.....	13%
400,000	600,000.....	14%
600,000	800,000.....	15%
800,000	1,000,000.....	16%
1,000,000	.....	17%

Further duty is payable also by persons in the class last mentioned on the amounts which they respectively receive if the aggregate value of the estate exceeds \$50,000. This further duty is on the following scale:

On the amount passing to one person, over	Up to	The additional duty is at the rate of
\$ 10,000	\$ 75,000.....	2½%
75,000	150,000.....	3%
150,000	250,000.....	3½%
250,000	300,000.....	4%
300,000	350,000.....	4½%
350,000	450,000.....	5%
450,000	500,000.....	5½%
500,000	600,000.....	6%
600,000	700,000.....	6½%
700,000	800,000.....	7%
800,000	900,000.....	7½%
900,000	1,000,000.....	8%
1,000,000	1,500,000.....	9%
1,500,000	2,000,000.....	10%
2,000,000	2,500,000.....	11%
2,500,000	3,000,000.....	12%
3'000,000	.....	13%

The maximum rate payable by anyone in the last mentioned class is therefore 30%.

Where the aggregate value of the estate exceeds \$5,000 and the whole or part passes to any person in any other degree of collateral consanguinity than is before mentioned or to any stranger in blood the amount so passing is subject to duty on the following scale:

If the aggregate value is over	And not more than	The rate of duty is
\$ 5,000	\$ 10,000.....	7½%
10,000	50,000.....	12½%
50,000	100,000.....	15%
100,000	200,000.....	17½%
200,000	300,000.....	20%
300,000	400,000.....	22½%
400,000	500,000.....	25%
500,000	600,000.....	27½%
600,000	700,000.....	30%
700,000	800,000.....	32½%
800,000	.....	35%

There is no supertax on property passing to remote collaterals and strangers.

The maximum rate payable by any person in this class is therefore 35%.

Earlier in this treatise it has been shown that the rates of duty are imposed in the near collateral class where the aggregate value

of the estate, wherever situate, exceeds \$10,000, against remote collaterals and strangers in blood where the aggregate value exceeds \$5,000, and against lineals where the aggregate value exceeds \$25,000. It necessarily follows that all property will be exempt where the estate does not reach the fixed limit in each class and devolves entirely to beneficiaries in the same class. For instance, an estate consisting of property in Ontario and other provinces, or in Great Britain, is valued at \$25,000 after the deduction of debts, funeral expenses and surrogate fees, and if the property is given entirely to a wife or children or to any one of the lineal class, as above defined, there is no duty on the property situate in Ontario. Whereas if any part of such estate in excess of \$300 is given to collaterals or strangers in blood, duty will be imposed on the Ontario property if the whole estate, wherever situate, in the case of near collaterals exceeds \$10,000 and in the case of strangers exceeds \$5,000.

AMENDMENTS TO THE SUCCESSION DUTY ACT

(10 Geo. V., Chap. 8)

Page 63: Subsection 1 of section 8 of the Act is amended by striking out the schedule of rates and substituting the following:

Where the aggregate value—

- (a) Exceeds \$25,000 and does not exceed \$50,000, 1 per cent.
- (b) Exceeds \$50,000 and does not exceed \$75,000, 2½ per cent.
- (c) Exceeds \$75,000 and does not exceed \$100,000, 3½ per cent.
- (d) Exceeds \$100,000 and does not exceed \$150,000, 5 per cent.
- (e) Exceeds \$150,000 and does not exceed \$200,000, 5½ per cent.
- (f) Exceeds \$200,000 and does not exceed \$300,000, 6 per cent.
- (g) Exceeds \$300,000 and does not exceed \$400,000, 6½ per cent.
- (h) Exceeds \$400,000 and does not exceed \$500,000, 7 per cent.
- (i) Exceeds \$500,000 and does not exceed \$600,000, 7½ per cent.
- (j) Exceeds \$600,000 and does not exceed \$700,000, 8 per cent.
- (k) Exceeds \$700,000 and does not exceed \$800,000, 8½ per cent.
- (l) Exceeds \$800,000 and does not exceed \$900,000, 9 per cent.
- (m) Exceeds \$900,000 and does not exceed \$1,000,000, 9½ per cent.
- (n) Exceeds \$1,000,000, 10 per cent.

Page 63: Subsection 2 of section 8 of the Act is amended by striking out the schedule of rates and substituting the following:

Where the whole amount so passing to one person—

- (a) Exceeds \$50,000 and does not exceed \$75,000, 1½ per cent.
- (b) Exceeds \$75,000 and does not exceed \$100,000, 2 per cent.
- (c) Exceeds \$100,000 and does not exceed \$150,000, 2½ per cent.
- (d) Exceeds \$150,000 and does not exceed \$300,000, 3 per cent.
- (e) Exceeds \$300,000 and does not exceed \$400,000, 3½ per cent.
- (f) Exceeds \$400,000 and does not exceed \$500,000, 4½ per cent.
- (g) Exceeds \$500,000 and does not exceed \$600,000, 5 per cent.
- (h) Exceeds \$600,000 and does not exceed \$700,000, 5½ per cent.
- (i) Exceeds \$700,000 and does not exceed \$750,000, 6 per cent.
- (j) Exceeds \$750,000 and does not exceed \$800,000, 6½ per cent.
- (k) Exceeds \$800,000 and does not exceed \$900,000, 7 per cent.
- (l) Exceeds \$900,000 and does not exceed \$1,000,000, 7½ per cent.
- (m) Exceeds \$1,000,000 and does not exceed \$1,200,000, 8 per cent.
- (n) Exceeds \$1,200,000 and does not exceed \$1,400,000, 8½ per cent.
- (o) Exceeds \$1,400,000 and does not exceed \$1,600,000, 9 per cent.
- (p) Exceeds \$1,600,000 and does not exceed \$1,800,000, 9½ per cent.
- (q) Exceeds \$1,800,000 and does not exceed \$2,000,000, 10 per cent.
- (r) Exceeds \$2,000,000 and does not exceed \$2,200,000, 10½ per cent.
- (s) Exceeds \$2,200,000 and does not exceed \$2,400,000, 11 per cent.

- (t) Exceeds \$2,400,000 and does not exceed \$2,600,000, 12 per cent.
- (u) Exceeds \$2,600,000 and does not exceed \$2,800,000, 13 per cent.
- (v) Exceeds \$2,800,000 and does not exceed \$3,000,000, 14 per cent.
- (w) Exceeds \$3,000,000, 15 per cent.

Page 64: Subsection 3 of section 8 of the Act is amended by striking out the schedule of rates and substituting the following:

Where the aggregate value —

- (a) Exceeds \$10,000 and does not exceed \$25,000, 5 per cent.
- (b) Exceeds \$25,000 and does not exceed \$50,000, 7 per cent.
- (c) Exceeds \$50,000 and does not exceed \$100,000, 10 per cent.
- (d) Exceeds \$100,000 and does not exceed \$200,000, 12½ per cent.
- (e) Exceeds \$200,000 and does not exceed \$400,000, 13 per cent.
- (f) Exceeds \$400,000 and does not exceed \$600,000, 14 per cent.
- (g) Exceeds \$600,000 and does not exceed \$800,000, 15 per cent.
- (h) Exceeds \$800,000 and does not exceed \$1,000,000, 16 per cent.
- (i) Exceeds \$1,000,000, 17 per cent.

Page 64: Subsection 4 of section 8 of the Act is amended by striking out the schedule of rates and substituting the following:

Where the whole amount so passing to one person —

- (a) Exceeds \$10,000 and does not exceed \$75,000, 2½ per cent.
- (b) Exceeds \$75,000 and does not exceed \$150,000, 3 per cent.

- (c) Exceeds \$150,000 and does not exceed \$250,000, 3½ per cent.
- (d) Exceeds \$250,000 and does not exceed \$300,000, 4 per cent.
- (e) Exceeds \$300,000 and does not exceed \$350,000, 4½ per cent.
- (f) Exceeds \$350,000 and does not exceed \$450,000, 5 per cent.
- (g) Exceeds \$450,000 and does not exceed \$500,000, 5½ per cent.
- (h) Exceeds \$500,000 and does not exceed \$600,000, 6 per cent.
- (i) Exceeds \$600,000 and does not exceed \$700,000, 6½ per cent.
- (j) Exceeds \$700,000 and does not exceed \$800,000, 7 per cent.
- (k) Exceeds \$800,000 and does not exceed \$900,000, 7½ per cent.
- (l) Exceeds \$900,000 and does not exceed \$1,000,000, 8 per cent.
- (m) Exceeds \$1,000,000 and does not exceed \$1,500,000, 9 per cent.
- (n) Exceeds \$1,500,000 and does not exceed \$2,000,000, 10 per cent.
- (o) Exceeds \$2,000,000 and does not exceed \$2,500,000, 11 per cent.
- (p) Exceeds \$2,500,000 and does not exceed \$3,000,000, 12 per cent.
- (q) Exceeds \$3,000,000, 13 per cent.

Page 65: Subsection 6 of section 8 of the Act is amended by striking out the schedule of rates and substituting the following:

Where the aggregate value—

- (a) Exceeds \$5,000 and does not exceed \$10,000, 7½ per cent.
- (b) Exceeds \$10,000 and does not exceed \$50,000, 12½ per cent.
- (c) Exceeds \$50,000 and does not exceed \$100,000, 15 per cent.
- (d) Exceeds \$100,000 and does not exceed \$200,000, 17½ per cent.

- (e) Exceeds \$200,000 and does not exceed \$300,000, 20 per cent.
- (f) Exceeds \$300,000 and does not exceed \$400,000, 22½ per cent.
- (g) Exceeds \$400,000 and does not exceed \$500,000, 25 per cent.
- (h) Exceeds \$500,000 and does not exceed \$600,000, 27½ per cent.
- (i) Exceeds \$600,000 and does not exceed \$700,000, 30 per cent.
- (j) Exceeds \$700,000 and does not exceed \$800,000, 32½ per cent.
- (k) Exceeds \$800,000 and does not exceed \$900,000, 35 per cent.